I. Alameda Health Systems (AHS) Quarterly Financial and Operational Report

Delvecchio Finley, Chief Executive Officer, Alameda Health System, presented a PowerPoint presentation on Alameda Health Systems (AHS) Quarterly Financial and Operational Report.

Patient activity was very strong in January, which is attributed to the flu season. The acute average daily census was 299, 7.9% above budget. Emergency Department visits were 10,832, 4.8% higher than budget. Clinic visits were 29,646, 1.9% below budget.

AHS reports an operating loss of $1.0 million in January, despite the relatively high level of patient activity. Although Net Operating Revenue exceeded budget by $2.7 million or 3.1%, Net Patient Service Revenue was 1.6% below budget as they lowered the estimated year to date collection ratio slightly based on most recent accounts receivable valuation and historical closed claim analysis. Operation expenses exceeded the fixed budget by $4.0 million or 4.7% primarily due to salaries in excess of budget.

On a year to date basis, AHS now has an Earnings Before Interest, Depreciation and Amortization (EBIDA) margin of 2.3%, below the budget of 4.5%. Revenues and expenses are unfavorable to budget by 1.4% and 0.8% respectively, resulting in the drop in EBIDA margin from 6% last year to 2.3% this year.

Key Finance Updates

FY18 Budget Improvement Efforts
- Revenue Cycle Improvement efforts continue
- Recent Regulatory and Congressional activity will improve supplemental reimbursements
- Expense reduction plan created and implemented to reign in labor and non-labor expenses

FY19 Budget Preparation Underway
- Operating Budget target- 5% EBIDA Margin
- Capital Expense Budget
  - EHR, Rehab Relocation, Routine Capital
  - Deferred/Unexpected Improvement needs for County owned buildings

County Conditions

Proposed Benchmarks
- Routine Epic Project Status Reports (i.e. quarterly/monthly)
- Status of Project Contingency Funding
- Timely notification for service adjustments (i.e. major service reductions/eliminations)

Purpose:
- [ ] Report progress
- ✔ Advocacy or Education
This item was informational only and required no Committee action.

PUBLIC COMMENT
None.

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